3Q/FY2015 Financial Results

Ended December 31, 2015

January 29, 2016
Yasumasa Masuda
Senior Corporate Executive,
Chief Financial Officer
Astellas Pharma Inc.

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This material includes forward-looking statements based on assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties.

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This communication is provided for informational purposes only. No statement in this document is an offer to purchase or a solicitation of an offer to sell securities. Any offers to purchase or solicitation of offers to sell will be made only pursuant to the Tender Offer Statement on Schedule TO (including the Offer to Purchase, the Letter of Transmittal and other documents relating to the Offer) that Astellas and Laurel, an indirect wholly-owned subsidiary of Astellas, filed with the Securities and Exchange Commission (the "SEC") on November 19, 2015. In addition, Ocata filed a Solicitation/Recommendation Statement on Schedule 14D-9 with respect to the Tender Offer on November 19, 2015. THE TENDER OFFER STATEMENT (INCLUDING THE OFFER TO PURCHASE, A RELATED LETTER OF TRANSMITTAL AND OTHER OFFER DOCUMENTS) AND THE SOLICITATION/RECOMMENDATION STATEMENT CONTAIN IMPORTANT INFORMATION THAT SHOULD BE READ CAREFULLY AND CONSIDERED BY OCATA'S STOCKHOLDERS BEFORE ANY DECISION IS MADE WITH RESPECT TO THE TENDER OFFER. Such documents have been made available to Ocata's stockholders at no expense to them. In addition, you may obtain copies of these documents (and all other Offer documents filed with the SEC) at no charge on the SEC's website: www.sec.gov.

OCATA'S STOCKHOLDERS ARE ADVISED TO READ THE SCHEDULE TO AND THE SCHEDULE 14D-9, AS EACH MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, AND ANY OTHER RELEVANT OFFER DOCUMENTS FILED WITH THE SEC BEFORE THEY MAKE ANY DECISION WITH RESPECT TO THE TENDER OFFER, BECAUSE THEY CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND THE PARTIES THERETO.

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Financial Results for 3Q/FY2015 (Core Basis)

3Q/FY2015: From Apr. 2015 through Dec. 2015

(Billion YEN)

	3Q/FY2014 Results	3Q/FY2015 Results	Change %	FY2015 Revised Forecasts#	Progress per Forecasts %
Sales	952.8	1,065.7	+11.8%	1,384.0	77.0%
COGs as % of sales	259.5 27.2%	270.5 25.4%	+4.2%		
SG&A expenses as % of sales	317.2 33.3%	362.7 34.0%	+14.3%		
R&D expenses as % of sales	148.0 15.5%	165.0 15.5%	+11.5%	238.0 17.2%	69.3%
Amortisation of intangible assets	28.0	33.2	+18.3%		
Share of profits of associates and joint ventures	0.1	-0.5	-		
Core operating profit	200.2	233.9	+16.8%	244.0	95.8%
Core profit for the period	140.3	169.4	+20.7%	175.0	96.8%

#Announced with 2Q/FY2015 financial results in Oct. 2015

Exchange Rates (YEN)

[Average for terms]	3Q/FY2014	3Q/FY2015	Change	FY2015 Forecasts
USD	107	122	15 weakening of YEN	121
EUR	140	134	6 strengthening of YEN	133

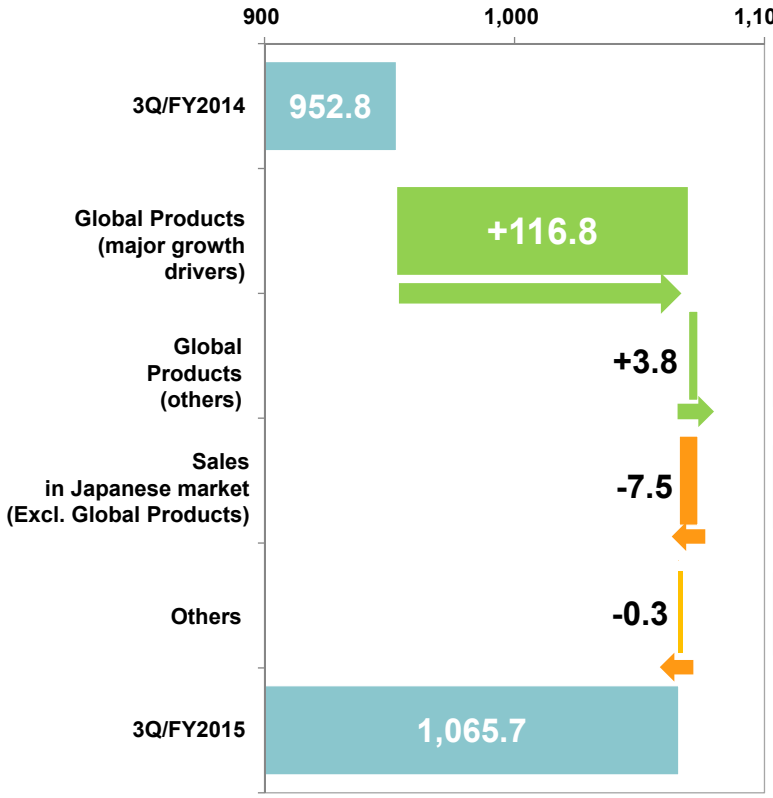
[Change from beginning to end of terms]	3Q/FY2014	3Q/FY2015
USD	18 weakening of YEN	0 weakening of YEN
EUR	5 weakening of YEN	1 weakening of YEN

Depreciation and amortisation
-3Q/FY2014: 48.1
-3Q/FY2015: 53.0

Forex impact
-Sales: +36.2
-Core operating profit: +15.4

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Results of 3Q/FY2015: Analysis of Change in Sales (vs. 3Q/FY2014)



Sales: +112.9

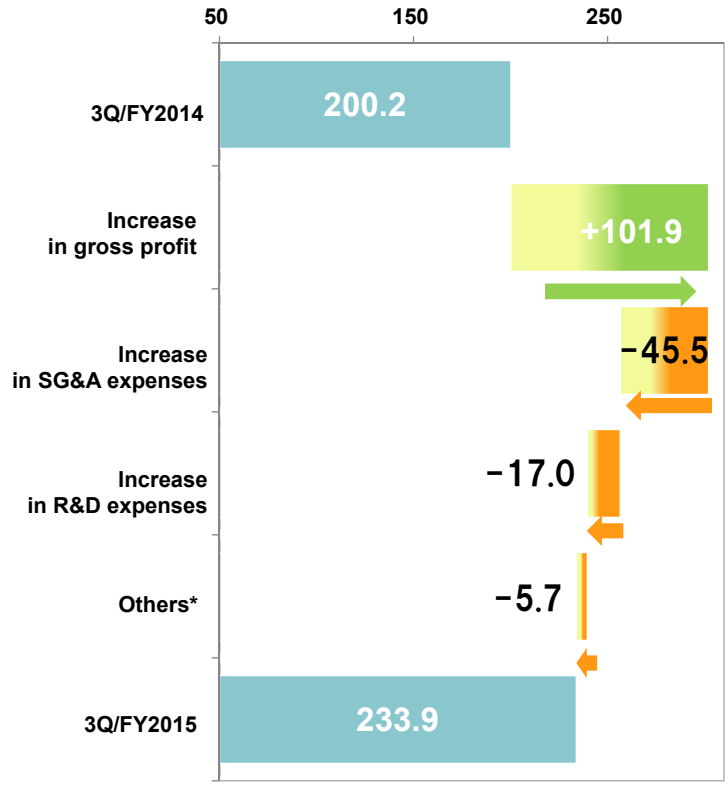
Forex impact: +36.2

- XTANDI +93.8
  Vesicare and Betanis/Myrbetriq/BETMIGA +23.0
- Prograf +9.7, Funguard/MYCAMINE +2.1
  Eligard -0.9, Harnal -1.1, Protopic -5.9
- New Products and Growing Products +14.8
  Micardis +1.8, Lipitor -4.3, Gaster -2.5
- Scan +9.5, Tarceva +0.3
  Other EMEA* products etc. -10.1

*Europe, Middle East and Africa

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Results of 3Q/FY2015: Analysis of Change in Core Operating Profit (vs. 3Q/FY2014)



Core operating profit: +33.7

Forex impact: +15.4

Increase in sales: +112.9
Increase in COGs: -11.0
Change in COGs ratio: -1.9ppt (27.2%→25.4%)
- Change in product mix etc.: -1.3ppt
- Forex impact on elimination of unrealized gain: -0.6ppt

- Cost for co-promotion of XTANDI in US
- Forex impact etc.

- Cost for development project
- Forex impact etc.

* Amortisation of intangible assets and share of profits of associates and joint ventures

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Financial Results for 3Q/FY2015 (Full Basis)

(Billion YEN)

	3Q/FY2014 Results	3Q/FY2015 Results	Change %	FY2015 Revised Forecasts#	Progress per Forecasts %
Sales	952.8	1,065.7	+11.8%	1,384.0	77.0%
COGs as % of sales	259.5 27.2%	270.5 25.4%	+4.2%		
SG&A expenses as % of sales	317.2 33.3%	362.7 34.0%	+14.3%		
R&D expenses as % of sales	148.0 15.5%	165.0 15.5%	+11.5%	238.0 17.2%	69.3%
Amortisation of intangible assets	28.0	33.2	+18.3%		
Share of profits of associates and joint ventures	0.1	-0.5	-		
Other income	4.1	1.1	-73.3%		
Other expense	42.6	19.4	-54.6%		
Operating profit	161.7	215.6	+33.3%	229.0	94.1%
Financial income	2.9	13.8	+380.9%		
Financial expense	2.9	0.9	-68.1%		
Profit before tax	161.6	228.5	+41.4%	242.0	94.4%
Profit for the period	114.7	164.5	+43.4%	172.0	95.7%

Other expense: 19.4
- Loss on sales and disposal of property, plant and equipment: 8.8
  (Buildings of Kashima Office etc., Kiyosu plant)
- Net foreign exchange losses: 7.0
  (RUB basis transactions etc.)

Financial income: 13.8
- Gain on sales of available-for-sales financial assets: 12.1
  (Gain on sales of securities etc.)

#Announced with 2Q/FY2015 financial results in Oct. 2015

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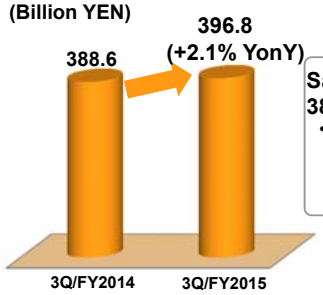
Sales by Region (Local Currency Basis)

Calculated based on the location of the seller

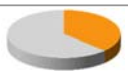
Sales increase in all the regions of Japan, Americas, EMEA and Asia/Oceania

Japan

(Billion YEN)

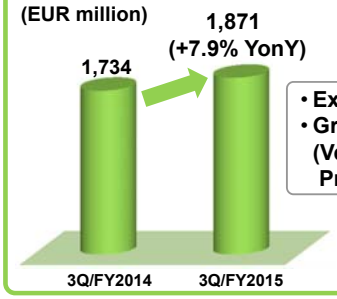


Sales in Japanese market:
386.1 bn YEN (+2.9% YonY)
- Growth of New Product Group and Growing Product Group exceeding generic impact



EMEA

(EUR million)

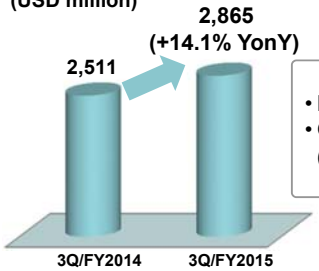


- Expansion of XTANDI
- Growth of OAB products (Vesicare and BETMIGA) and Prograf

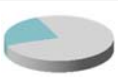


Americas

(USD million)

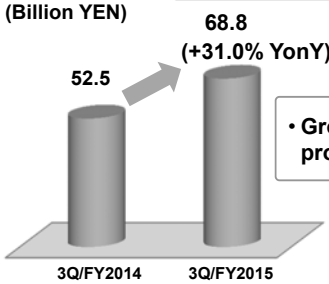


- Expansion of XTANDI
- Growth of OAB products (VESIcare and Myrbetriq)



Asia/Oceania

(Billion YEN)



+22.0% YonY
(Excl. forex impact)

- Growth of all the mainstay products



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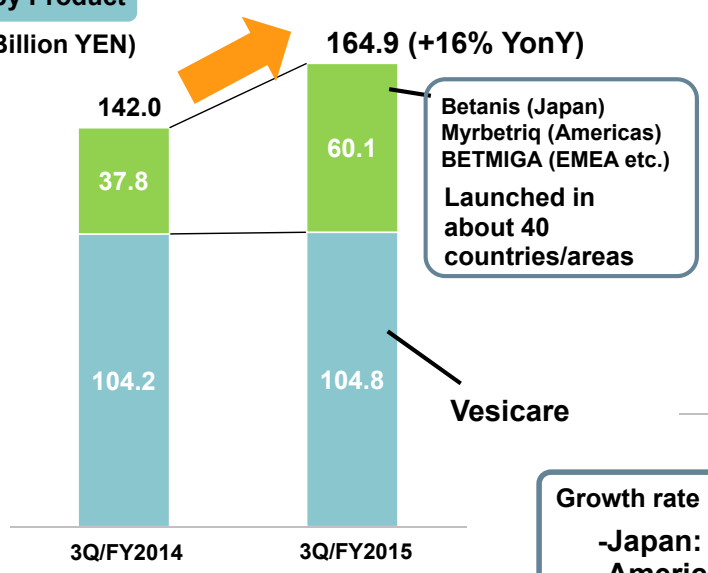
Overactive Bladder Franchise in Urology

Continuous sales increase in OAB franchise (Vesicare and Betanis/Myrbetriq/BETMIGA)

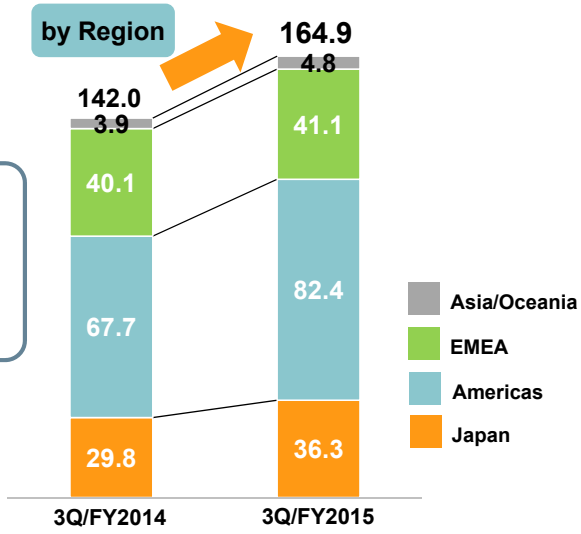
Total sales of OAB franchise

by Product

(Billion YEN)



by Region



Growth rate in total sales of OAB franchise [YonY]

- -Japan: +22%
- -Americas: +7% (USD basis)
- -EMEA: +7% (EUR basis)
- -Asia/Oceania: +21% (Excl. forex impact)

OAB: Overactive Bladder

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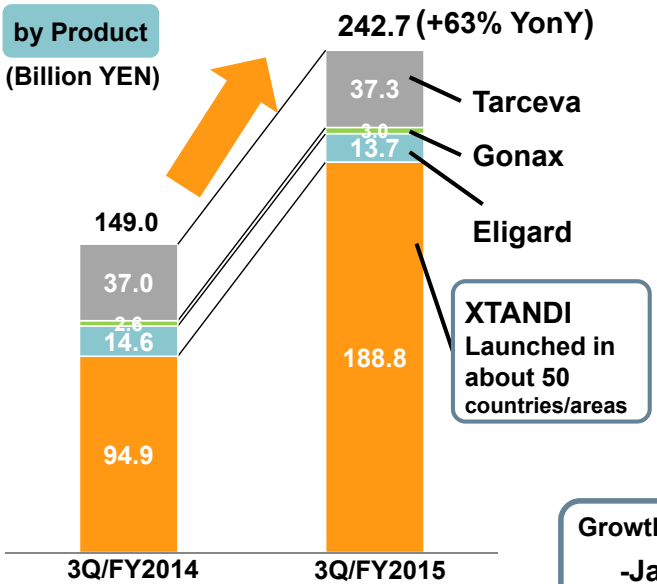
Oncology Franchise

Significant expansion of oncology franchise driven by XTANDI
Non-US sales ratio for XTANDI increased

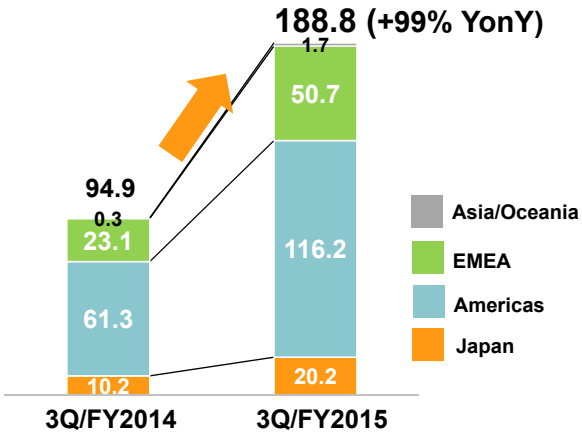
Total sales of oncology franchise

by Product

(Billion YEN)



XTANDI sales by Region



Growth rate in total sales of XTANDI [YonY]

- -Japan: +98%
- -Americas: +67% (USD basis)
- -EMEA: +129% (EUR basis)
- -Asia/Oceania: +541% (Excl. forex impact)

Oncology franchise:
XTANDI, Tarceva, Eligard and Gonax

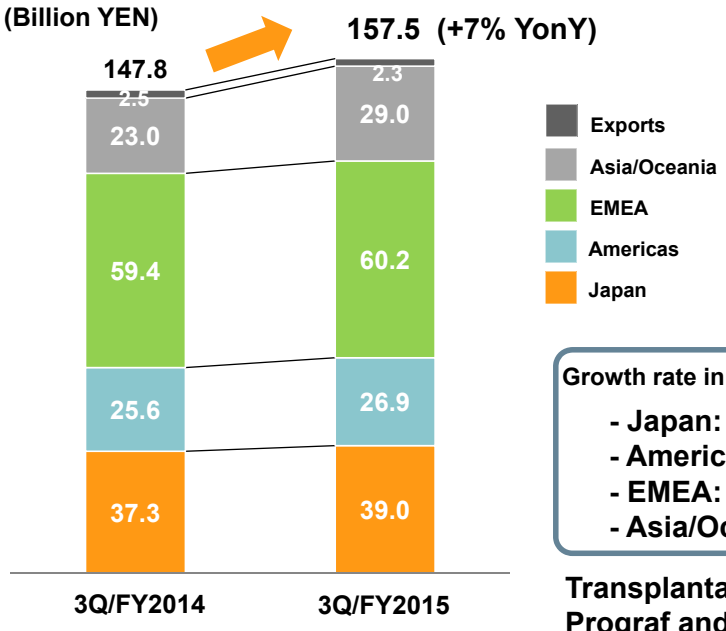
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Transplantation Franchise

Maintaining global sales by growth in Japan, EMEA and Asia/Oceania

Total sales of transplantation franchise

by Region



Growth rate in total sales of transplantation franchise [YonY]

- Japan: +5%
- Americas: -8% (USD basis)
- EMEA: +6% (EUR basis)
- Asia/Oceania: +17% (Excl. forex impact)

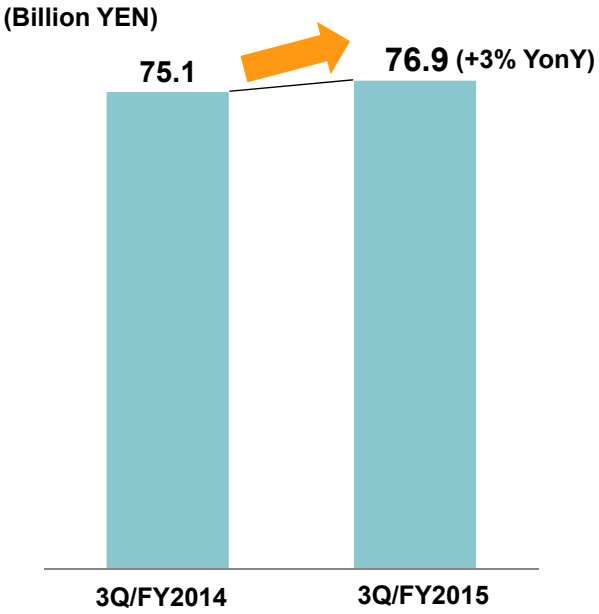
Transplantation franchise:
Prograf and Advagraf/Graceptor/ASTAGRAF XL

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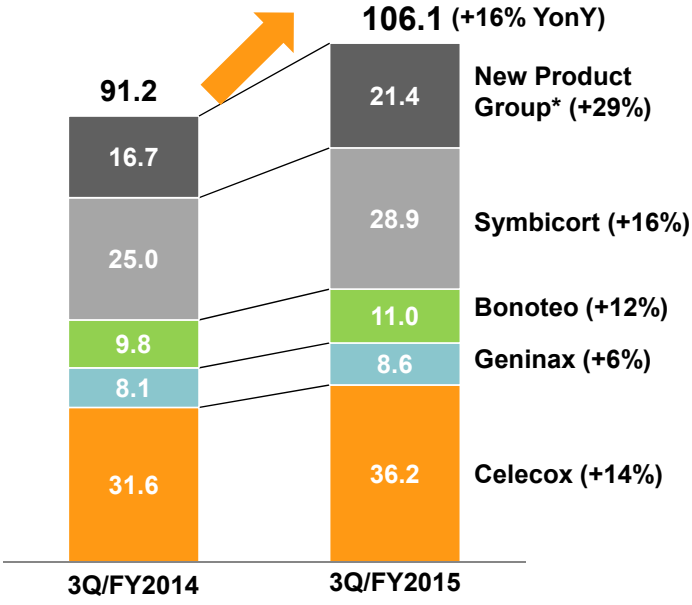
Major Products in Japan (Excluding Global Products)

Steady growth of New Product Group and Growing Product Group

Micardis [family]



New Product Group & Growing Product Group



*New Product Group: Total sales of main products launched since April 2012 onward (ARGAMATE, Kiklin, Regnite, Gonax, Cimzia, Acofide and Suglat)

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R&D Pipeline

Robust Pipeline of Astellas

astellas
Leading Light for Life

Phase 1

- mirabegron (Pediatric)
- ASP2205
- ASP6282
- YM311 (JP)
- ASP6858
- ASP7398
- ASP6294
- ASG-22ME
- ASP1707 (Prostate cancer)
- ASG-15ME
- ASP5878
- AGS67E
- ASP4132
- gilteritinib (NSCLC)
- blinatumomab
- ASKP1240 (JP)
- ASP5094
- ASP3662 (Alzheimer)
- ASP4345
- ASP4070
- ASP0819
- ASP8062
- ASP7266

Phase 2

- roxadustat (JP)
- YM311 (FG-2216) (Renal anemia, EU)
- ASP8232 (Diabetic nephropathy)
- enzalutamide (Breast cancer, HCC)
- AGS-16C3F (Renal cell carcinoma)
- ASP0113 (VCL-CB01) (CMV SOT)
- ASKP1240 (Transplant, US)
- ASP015K (US/EU)
- ASP3662 (PDPN)
- ASP7962 (Osteoarthritis)
- ASP1707 (Endometriosis)
- linaclotide (Chronic constipation, JP)
- ASP8232 (Diabetic macular edema)
- ipragliflozin (Type 1 diabetes, JP)
- ASP7373 (Influenza H5N1, JP)
- CK-2127107 (SMA, COPD)

Phase 3

- solifenacin (Pediatric NDO, US/EU)
- solifenacin/mirabegron (Concomitant use, US/EU/Asia)
- roxadustat (Anemia associated with CKD, EU)
- enzalutamide (M0 CRPC, M0 BCR: US/EU/Asia, M1 HSPC: US/EU/JP/Asia)
- degarelix (3-month, JP)
- gilteritinib (AML, US/EU/JP/Asia)
- ASP8273 (NSCLC, US/EU/JP/Asia)
- ASP0113 (VCL-CB01) (CMV HCT, US/EU/JP)
- ASP015K (Rheumatoid arthritis, JP)
- quetiapine (BPD, JP)
- romosozumab (Osteoporosis, JP)
- linaclotide (IBS-C, JP)
- fidaxomicin (Infectious enteritis: JP, pediatric: EU)
- ipragliflozin/sitagliptin (Fixed dose combination, JP)

Filed

- solifenacin (Pediatric OAB, EU)
- bixalomer (Not on dialysis, JP)
- bixalomer (Granule formulation, JP)
- ASP7374 (Seasonal influenza, JP)

Therapeutic area:

- Urology, Nephrology
- Oncology
- Immunology, Neuroscience
- Others

● New molecular entity

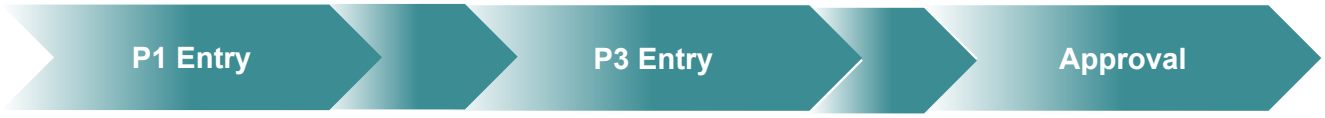
Outline of the projects are shown. Please refer to pipeline list for details including target disease.

NSCLC: Non-small cell lung cancer, HCC: Hepatocellular carcinoma, CMV: Cytomegalovirus, SOT: Solid organ transplant, PDPN: Painful diabetic peripheral neuropathy, SMA: Spinal muscular atrophy, COPD: Chronic obstructive pulmonary disease, NDO: Neurogenic detrusor overactivity, CKD: Chronic kidney disease, M0 CRPC: Non-metastatic castration-resistant prostate cancer, M0 BCR: Non-metastatic biochemical recurrence, M1 HSPC: Metastatic hormone sensitive prostate cancer, AML: Acute myeloid leukemia, HCT: Hematopoietic cell transplant, BPD: Bipolar disorders, IBS-C: Irritable bowel syndrome with constipation

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Steady Progress in Development

Summary of changes from October 2015 to January 2016



ASP7398
Nocturia

ASP6294
Bladder pain syndrome/ Interstitial cystitis

ASP7266
Severe asthma

enzalutamide
Metastatic hormone-sensitive prostate cancer

US/Europe/Japan/Asia

evolocumab
Repatha

Approved in Jan. 2016

Familial hypercholesterolemia, hypercholesterolemia*

Japan

* Repatha is indicated for the treatment of patients with familial hypercholesterolemia or hypercholesterolemia who have high risk of cardiovascular events and are not adequately controlled by HMG-CoA reductase inhibitors

Discontinuation **P3 project: isavuconazonium sulfate (US), Candidemia/ Invasive candidiasis**
(The primary endpoint of the overall treatment response at the end of intravenous therapy was not met in the Phase 3 study.)

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Oncology Pipeline

Stage in the most advanced territory

	Project	Target Cancer	Characteristics	P1	P2	P3	Filed
Small molecule	**enzalutamide (XTANDI)**	Prostate cancer (M0 CRPC, M0 BCR, M1 HSPC), Breast cancer, Hepatocellular carcinoma	Androgen receptor inhibitor	PC			
				BC, HCC			
	degarelix (Gonax)	Prostate cancer	1st GnRH antagonist in Japan	3-month: JP			
	ASP2215 gilteritinib	Acute myeloid leukemia, Non-small cell lung cancer	FLT3/AXL inhibitor	AML			
				NSCLC			
	ASP8273	Non-small cell lung cancer	Mutant-selective irreversible EGFR inhibitor				
	ASP1707	Prostate cancer*1	Oral GnRH antagonist				
	ASP5878	Solid tumors	FGFR inhibitor				
	ASP4132	Advanced cancer					
Antibody	**AGS-16C3F**	Renal cell carcinoma	Antibody utilizing ADC (target: ENPP3)				
	ASG-22ME	Solid tumors	Antibody utilizing ADC (target: Nectin-4)				
	ASG-15ME	Bladder cancer	Antibody utilizing ADC (target: SLITRK6)				
	AGS67E	Lymphoid malignancy	Antibody utilizing ADC (target: CD37)				
	AMG 103 blinatumomab	Acute lymphoblastic leukemia	Anti-CD19 BiTE antibody				

*1: P2 for indication of endometriosis

ADC: Antibody-drug conjugate, PC: Prostate cancer, BC: Breast cancer

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Enzalutamide: Development Progress

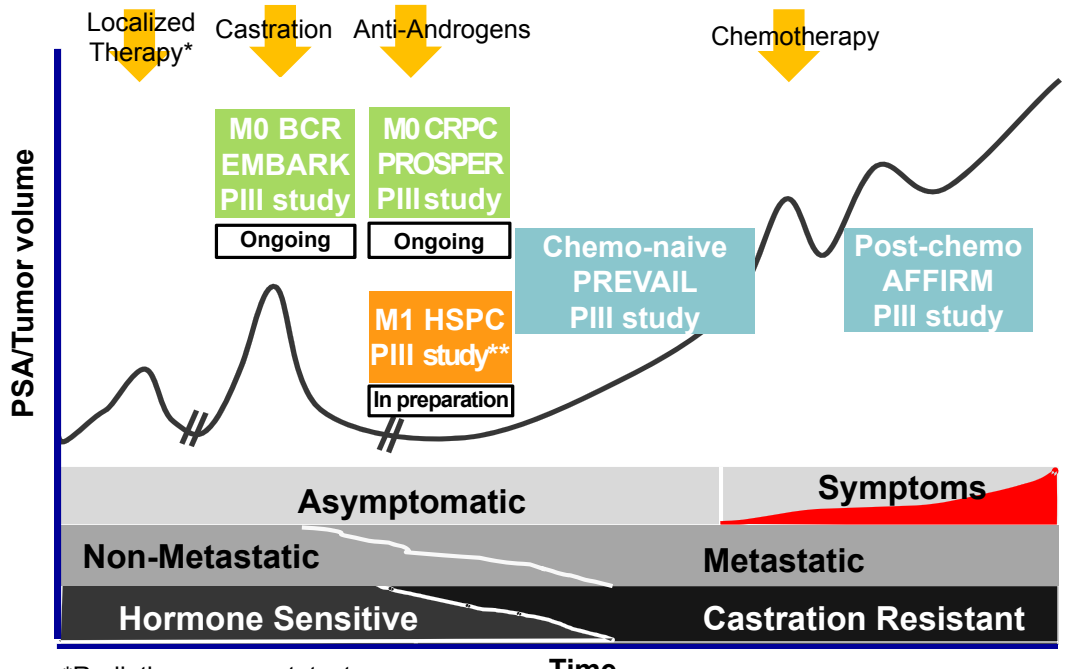
*The region where the study is performed

	Study Phase/Region*	Target	Design	P1	P2	P3
Prostate cancer	P3 US/EU/Asia [PROSPER study]	**M0 CRPC** Non-metastatic CRPC	Placebo-controlled, n=1,500	First Patient In: Nov. 2013		
	P3 US/EU/Asia [EMBARK study]	**M0 BCR** Non-metastatic prostate cancer, biochemical recurrence	To compare with ADT and combination, n=1,860	First Patient In: Jan. 2015		
	P3 US/EU/JP/Asia	**M1 HSPC** Metastatic hormone-sensitive prostate cancer		Preparing		
Breast cancer	P2 US/EU	**Triple-negative** Advanced, androgen receptor-positive, triple-negative breast cancer	Open-label, n=118	Last Patient In: Jul. 2014		
	P2 US/EU	**ER/PgR positive** Advanced breast cancer that is ER positive or PgR positive and HER2 normal	Placebo-controlled, in combination with exemestane, n=240	Last Patient In: Mar. 2015		
	P2 US/EU	**HER2 positive** Advanced, androgen receptor-positive, HER2 positive/ER negative breast cancer	Open-label, n=80	First Patient In: Sept. 2014		
HCC	P2 US/EU/Asia	**Hepatocellular carcinoma**	Placebo-controlled, n=144	First Patient In: Jan. 2016		

Pursue label update within current indication based on TERRAIN/STRIVE data in US/Europe
Obtained positive interim analysis data in Asian PREVAIL

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ADT: Androgen-deprivation therapy, ER: Estrogen receptor, PgR: Progesterone receptor, HER2: Human epidermal growth factor receptor 2

Maximizing the Value of Enzalutamide for Prostate Cancer Patients



*Radiotherapy, prostatectomy
**Metastatic at the time of diagnosis

PSA: Prostate-specific antigen
P. Mulders *et al. EAU2012,* modified by Astellas

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Gilteritinib: Development Progress

*The region where the study is performed

	Phase/ Region*	Population	Design	P1	P2	P3
AML (relapsed or refractory)	P3 Global	1st relapsed or refractory, FLT3 mutation positive AML	Open-label, randomized Monotherapy vs salvage chemo (2:1), n=369	First Patient In: Oct. 2015		
	P1/2 US/EU	Relapsed or refractory AML	Dose-escalation and expansion, n=258	Enrollment completed		
	P1 JP	Relapsed or refractory AML	Dose-escalation and expansion			
AML (1st line intensive chemo eligible)	P1 US	Newly diagnosed AML	Combination with induction and consolidation chemo			
	P1 JP	Newly diagnosed AML	Combination with induction and consolidation chemo			
NSCLC	P1/2 US/JP	EGFR activating mutation-positive, resistant to an EGFR inhibitor	Dose escalation and expansion, combination with erlotinib, n=90	First Patient In: Sept. 2015		

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Gilteritinib: New Data in Phase 1/2 Presented at ASH2015

Altman *et al*., ASH2015

Population:

Patients with relapsed or refractory (R/R) acute myeloid leukemia (AML)

Design:

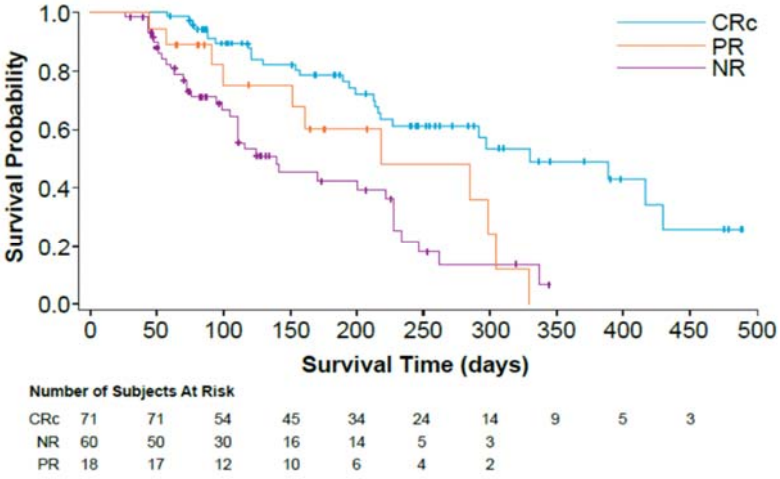
Open-label

Endpoint:

Primary: Safety, tolerability and PK
Secondary: Response rate, overall survival, event free survival, and leukemia free survival

ASH: American Society of Hematology

Overall survival by response in FLT3+ subjects treated with ≥80 mg gilteritinib



- Across all FLT3+ subjects treated with gilteritinib ≥80 mg:
  - Median duration[a] of response was 111 (range: 8–383) days
  - Median time to best response[b] was 32 (range: 26–364) days
  - Median overall survival was 218 (range: 12–430) days

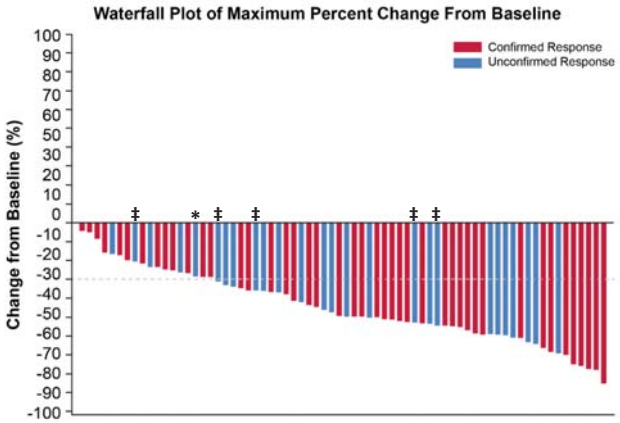
[a] Duration of response was calculated from the first observed response of PR or better.
[b] Time to best response was only evaluated for subjects who achieved best response of PR or better.

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ASP8273: Updated Data from Phase 1/2 in Japan and Asia

Antitumor activity of 300 mg ASP8273 in T790M+ patients (Phase 2)

Best change (%) from baseline of target lesions in T790M+ subjects[a]



Azuma *et al*., JLCS2015

- Subjects with evaluable data (n=70) treated with 300 mg ASP8273 showed at least stable disease in target lesions
- Preliminary ORR 64% (n=45/70), including both confirmed and unconfirmed responses

[a] Waterfall plot reflects investigator assessment of target lesion changes only
‡ Indicates unconfirmed response in target lesions, but ORR is progressive disease based on new or non-target lesions
* Subject was withdrawn from the study with unconfirmed stable disease in target lesions; response in new or non-target lesions was not evaluable.

Phase 2 Part (RP2D expansion)	Population	Non-small cell lung cancer with EGFR activating mutations previously treated with EGFR-TKIs and confirmed T790M+
	Design	Open-label, single-arm (RP2D; 300 mg/day)
	Primary endpoint	Overall response rate

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JLCS: Japan Lung Cancer Society, ORR: Objective Response Rate, RP2D: Recommended Phase 2 Dose

Evolocumab: Approved in Japan as the 1st PCSK9 Inhibitor

- **Brand name/Approval date**
  Repatha/January 2016
- **Indication**
  The treatment of patients with familial hypercholesterolemia or hypercholesterolemia who have high risk of cardiovascular events and are not adequately controlled by HMG-CoA reductase inhibitors

  <u>Precautions related to dosage and administration</u>
  Repatha should be administered as an adjunct to HMG-CoA reductase inhibitor therapy.
  [Efficacy and safety of Repatha monotherapy in Japanese patients not confirmed.]

Started co-promotion by Amgen Astellas Biopharma (AABP) and Astellas as the 1st product of AABP

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Solifenacin/Mirabegron: Obtained Top Line Results in Phase 3 SYNERGY Study

Study Overview

Population	Overactive Bladder (n=3,527)
Design	Double-blind, placebo- and active-controlled
Arms	• solifenacin 5 mg + mirabegron 25 mg (S5+M25 mg) • solifenacin 5 mg + mirabegron 50 mg (S5+M50 mg) • placebo • solifenacin 5 mg (S5 mg) • mirabegron 25 mg (M25 mg) • mirabegron 50 mg (M50 mg)
Co-primary endpoints	• Change from baseline in mean number of incontinence episodes per 24 hours at End of Treatment (EoT) • Change from baseline in mean number of micturitions per 24 hours at EoT
Statistical methodology	Sequential testing procedure

Results

- The S5+M50 mg combination group was superior to S5 mg for change in incontinence episodes per 24 hours (p=0.033) but did not demonstrate superiority vs. M50 mg (p=0.052).
- The primary objective for S5+M50 mg was therefore not met and precluded testing of other co-primary and key secondary variables.
- There were, however, improvements for a number of efficacy endpoints indicative of additive effects.
- No new safety concerns were observed with the adverse event profile of the combination groups largely reflective of the known profile of the individual monotherapies.

Further data evaluation is ongoing

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Linaclotide: Obtained Top Line Results in Japanese Phase 3 Study

Study Overview

Population	Irritable bowel syndrome with constipation (n=500)
Design	Double-blind, placebo-controlled
Duration	12 weeks + additional 40-week, open-label follow-up
Co-primary endpoints	• Global Assessment of Relief of IBS Symptoms Responder Rate • Complete Spontaneous Bowel Movement (CSBM) Overall Responder Rate

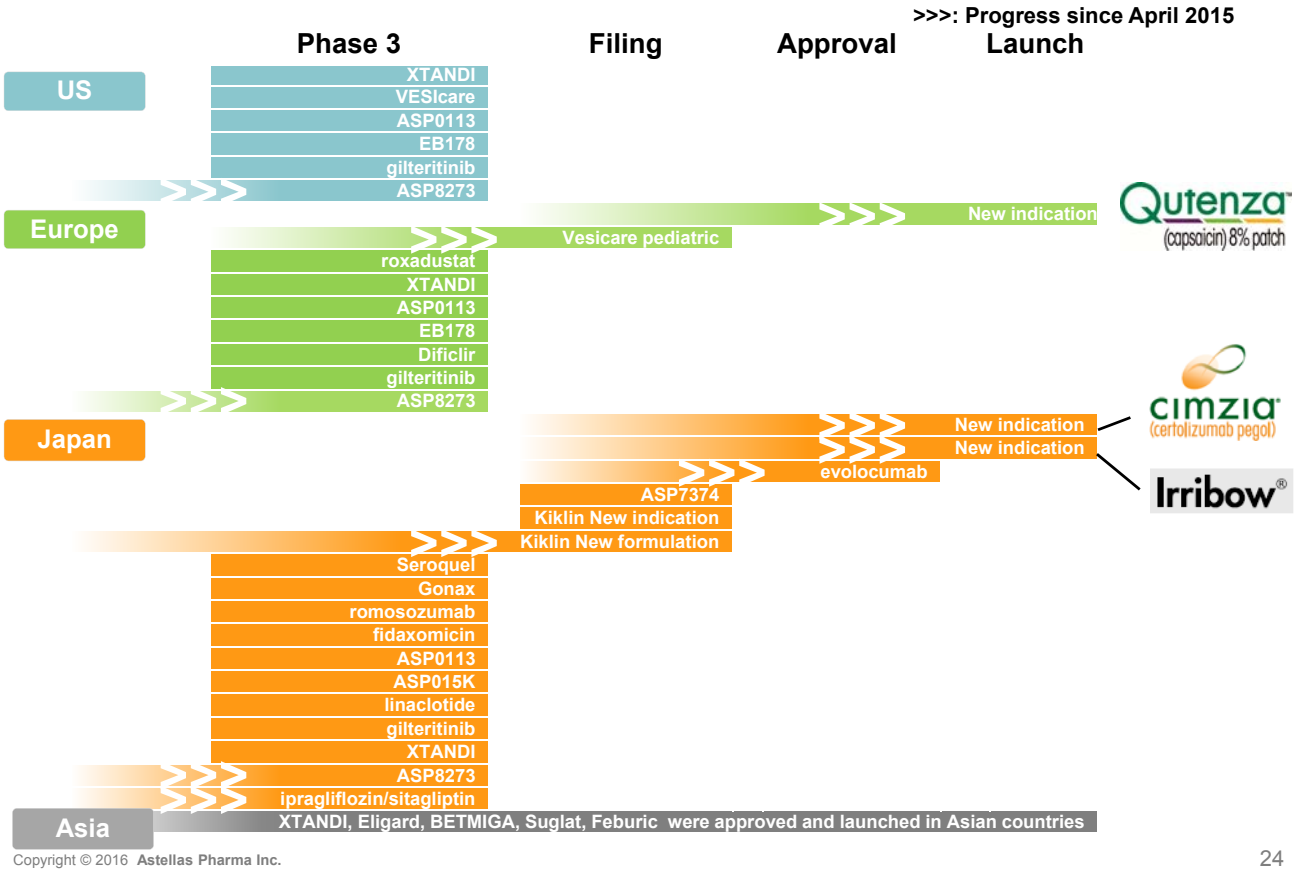
Results

- Top-line data showed statistically significant improvement compared to placebo for both of the co-primary endpoints.
- 34% of linaclotide-treated patients were Global Assessment of Relief of IBS Symptoms Responders, compared to 18% of placebo-treated patients (p<0.001).
- 35% of linaclotide-treated patients were CSBM Overall Responders, compared to 19% of placebo-treated patients (p<0.001).
- The drug was generally well tolerated, but diarrhea occurred more frequently in the linaclotide treatment group which would be expected based on the mechanism of action.

NDA planned in 4Q/FY2015

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FY2015 Progress of Late Phase Compounds



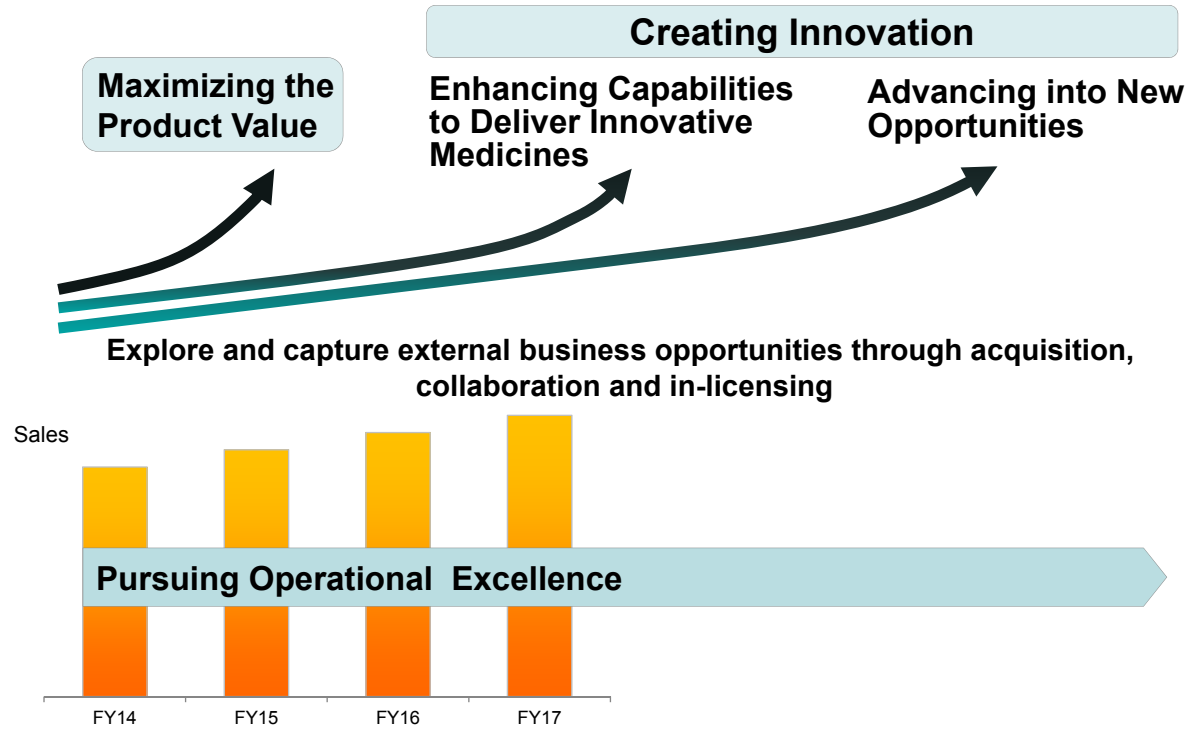
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Initiatives to Build Resilience for Sustainable Growth

Achieving Sustainable Growth

(same as Strategic Plan 2015-2017 slide)

**New products will drive mid-term growth;
Sustainable growth will be reinforced by continuous selective investment in innovation and strengthening of the business foundation**



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Strategic Priorities for Sustainable Growth

Maximize the Product Value

- Maximize OAB franchise (expansion of Vesicare+ Betanis/Myrbetriq/BETMIGA)
- Enhance oncology franchise (XTANDI sales growth, label expansion)
- New product launch in many countries
- Extension of collaboration agreement on Micardis family
  - Expiring date: December 31, 2016 → March 31, 2018

Create Innovation

- Pending acquisition of Ocata Therapeutics Ophthalmology Regenerative medicine
- Collaboration with Bellicum for cell and gene therapy for cancer Oncology

Pursue Operational Excellence

Optimal allocation of resources

- Transfer of global dermatology business to LEO Pharma
- Transfer of Cibenol to TOA EIYO

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Continuous Introduction of New Products

(Efforts from April 2015 onward)

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Maximize the Product Value

Approvals and launches in 4 regions

(Underlined items show updates from the previous announcement)

EMEA

- **XTANDI:**
  Post-chemo indication Launch (Lebanon, Macedonia, Azerbaijan, Qatar, Serbia)
  Chemo-naive indication Launch (France, Switzerland, Spain, Portugal, Slovenia, Hungary, Luxembourg)
- **BETMIGA:** Launch (Croatia, France)
- **VESOMNI:** Launch (Finland, Greece, Slovenia, Italy, Armenia, Azerbaijan, Georgia, Moldova, Turkmenistan, Kazakhstan)

Americas

- **XTANDI:**
  Post-chemo indication Launch (Uruguay*, Brazil)
  Chemo-naive indication Launch (Uruguay*, Canada)
- **CRESEMBA:** Launch (US)
- **VESOMNI:** Launch (Argentina, Brazil)

*Post-chemo/chemo-naive simultaneous launch

Japan

- **Repatha:** Approval
- **Orfadin:** Launch
- **Cimzia:** DMARD-naive RA indication approval
- **Irribow:** Female indication approval

Asia/Oceania

- **XTANDI:**
  Post-chemo indication Launch (Philippines, Hong Kong, Singapore, Macau), Approval (New Zealand, Taiwan*)
  Chemo-naive indication Launch (Republic of Korea), Approval (Taiwan*, Hong Kong)
- **Eligard:** Launch (Taiwan)
- **BETMIGA:** Launch (Singapore, Thailand, Malaysia)
- **Suglat:** Launch (Republic of Korea)
- **Feburic:** Launch (Thailand)

*Post-chemo/chemo-naive simultaneous approval

No. of countries/areas where the following have been launched:
Betanis/Myrbetriq/BETMIGA: about 40
XTANDI: about 50

DMARD: Disease modified anti-rheumatic drug RA: Rheumatoid arthritis

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Develop New Therapeutic Areas and Novel Technology Platform

(●: Updates from the previous announcement)

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Create Innovation

TA: Therapeutic Area

Pursue "Best Science" with "Best Talent" in "Best Place"

Existing TAs	**Oncology**	Ambrx, Cancer Research Technology, Cancer Research UK, **Dana-Farber Cancer Institute**, The University of Texas MD Anderson Cancer Center, POTENZA therapeutics
	Immunology	**Kyoto Univ. (AK Project)**, IMMUNOMIC Therapeutics, KANYOS BIO
	Nephrology	Center for iPS Cell Research and Application CiRA Kyoto University, AIST
	Neuroscience	LIBD Lieber Institute for Brain Development, chromocell
New TAs	**Muscle Diseases**	Cytokinetics, mitobridge
	Ophthalmology	**Harvard Medical School**, AIST, * ocata therapeutics ●**Cell therapy in ophthalmology**
Other / General TAs		IBL, ClearPath** Development Company, Daiichi-Sankyo, pti PROTEOSTASIS THERAPEUTICS, INC., 大阪大学 Osaka University

**RSV vaccine program was terminated, comprehensive vaccine collaboration is ongoing *Transaction announced; completion pending

Regenerative Medicine(Cell Therapy) **Next-generation Vaccine**

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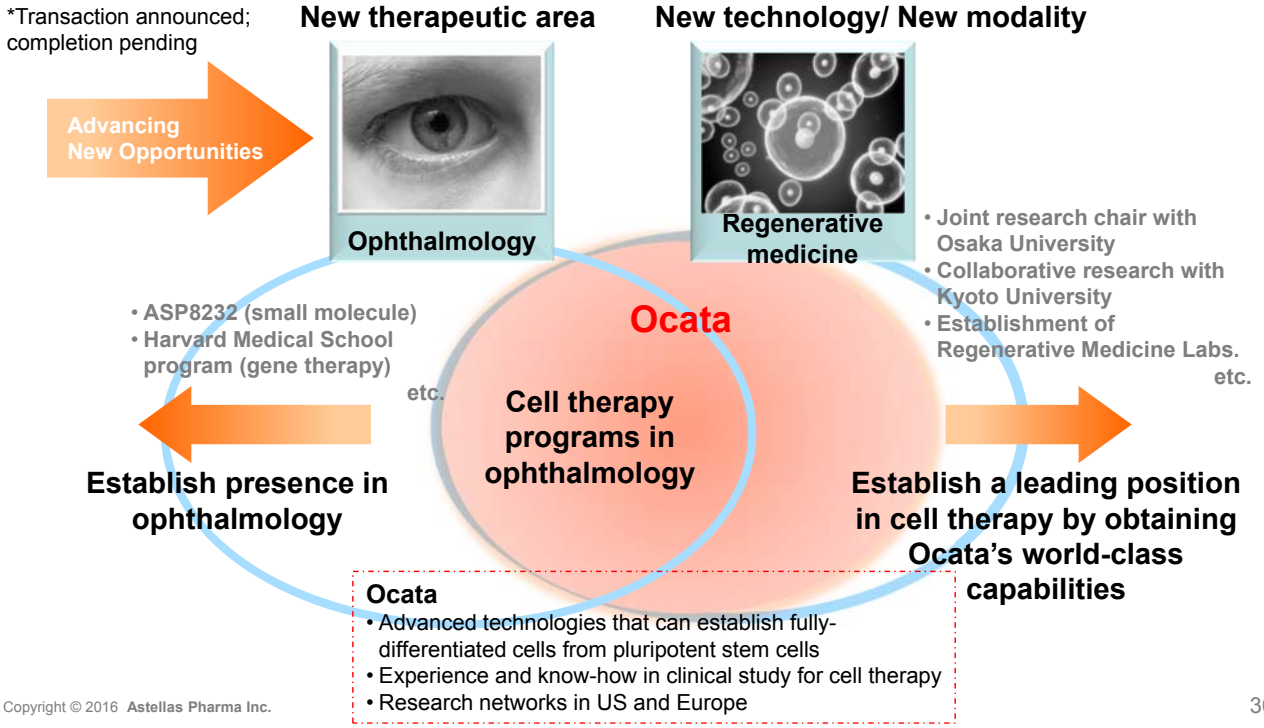
Develop New Therapeutic Areas and Novel Technology Platform: Recent Initiative

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Create Innovation

Acquisition of Ocata Therapeutics*: New step forward in ophthalmology with cell therapy approach

*Transaction announced; completion pending



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Optimize Resource Allocation: Recent Initiative

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Pursue Operational Excellence

Transfer of global dermatology business to LEO Pharma

- **Transfer Value: 675 million EUR**
- **Ensure smooth continuation of product supply around the world**
- **Allow Astellas to re-allocate resources to activities that drive our competitive advantage**

<Schedule for business transfer>

- Execution of Asset Purchase Agreement: November 11, 2015
- Transfer of asset ownership : 4Q/ FY2015 (tentative)

LEO

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Profit Distribution Policy

- Top priority on investment for growth of Rx business
- Dividends to be increased continuously based on mid- and long-term growth
- Share buybacks to be implemented in a flexible manner

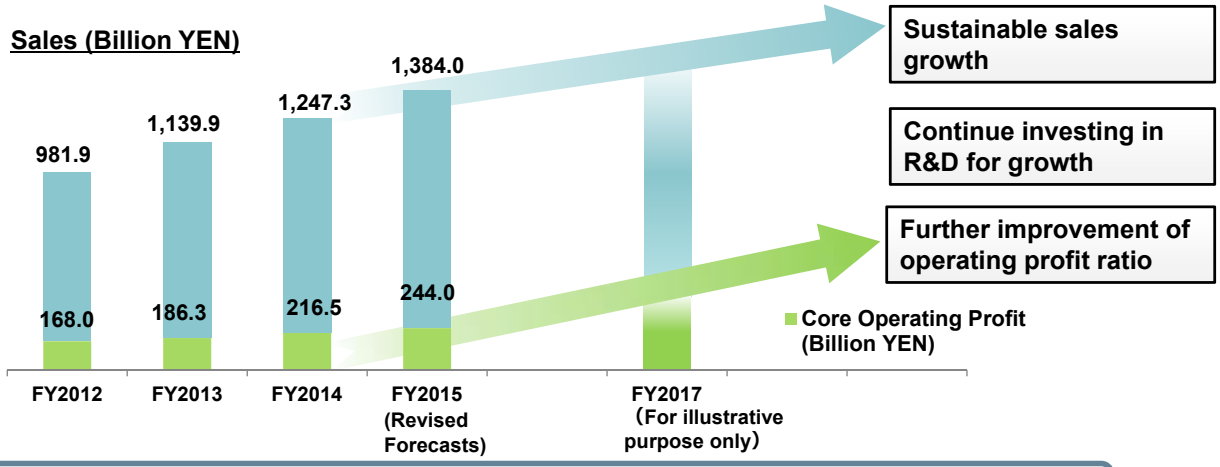
	FY2013	FY2014	FY2015 (Forecast)
Core EPS	59.11 YEN	69.37 YEN	80.99YEN
Dividends per Share	27 YEN	30 YEN	32 YEN
ROE	7.4%	10.5%	-
DOE	5.0%	5.1%	-
Share Buybacks*	25 million shares (30.0 billion YEN)	38 million shares (58.2 billion YEN)	Implemented in a flexible manner Bought back 51 million own shares** (91.8 billion YEN)
Cancellation of Treasury Shares	55 million shares	25 million shares	38 million shares (Cancelled on May 29, 2015)

-Figures from FY2013 have been restated in consideration of 5-for-1 stock split on April 1, 2014 for convenience purposes
*Excluding amounts for the buyback of shares consisting less than one unit
**Conducted in May - July, August, and November - December 2015, reflected to FY2015 forecast for Core EPS

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Realize Sustainable Growth

Resiliently respond to the changing environments and aim for sustainable growth



No changes have been made to FY2015 forecasts revised in Oct. 2015

- Business goes favorably, driven by XTANDI and OAB products
- Continue investing in R&D for creating innovation that is source of future growth
- Work toward higher quality and efficiency of operations through optimization of resources and enhancement of organizational structure

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Appendix

Reconciliation of Full Basis to Core Basis

(Billion YEN)

	FY14 APR. - DEC.			FY15 APR. - DEC.		
	Full basis	Adjustment	Core basis	Full basis	Adjustment	Core basis
Sales	**952.8**	**-**	**952.8**	**1,065.7**	**-**	**1,065.7**
Cost of sales	259.5	-	259.5	270.5	-	270.5
Gross profit	**693.3**	**-**	**693.3**	**795.2**	**-**	**795.2**
SG&A expenses	317.2	-	317.2	362.7	-	362.7
R&D expenses	148.0	-	148.0	165.0	-	165.0
Amortisation of intangible assets	28.0	-	28.0	33.2	-	33.2
Share of profits/losses of associates and joint ventures	0.1	-	0.1	-0.5	-	-0.5
Other income *1	4.1	-4.1	-	1.1	-1.1	-
Other expense *1	42.6	-42.6	-	19.4	-19.4	-
Operating profit	**161.7**	**38.5**	**200.2**	**215.6**	**18.3**	**233.9**
Finance income *2	2.9	-1.1	1.8	13.8	-12.1	1.7
Finance expense *2	2.9	-2.6	0.3	0.9	-0.4	0.6
Profit before tax	**161.6**	**40.1**	**201.7**	**228.5**	**6.6**	**235.1**
Income tax expense	46.9	14.5	61.4	63.9	1.8	65.7
Profit for the period	**114.7**	**25.5**	**140.3**	**164.5**	**4.8**	**169.4**

*1. “Other income” and “Other expense” are excluded from Core results.
“Other income” and “Other expense” include gain/loss on sale and disposal of property, plant and equipment, impairment losses for other intangible assets, restructuring costs, litigation costs and net foreign exchange gains/losses, etc.

*2. Gain/loss on sale of available-for-sale (“AFS”) and impairment losses of AFS included in “Finance income” and “Finance expense” are excluded from Core results.

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On the Forefront of Healthcare Change